ProSiebenSat.1 Media AG

Interim Report as of March 31, 2004

ProSiebenSat.1 Group Boosts Pre-Tax Profit Substantially in Q1 2004

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Content

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Q1 2004: Key Figures of the ProSiebenSat.1 Group

Key Figures for the ProSiebenSat.1 Group [IFRS]

		Mar. 31, 2004	Mar. 31, 2003	Change
Balance Sheet Key Figures				
Total assets	(EUR m)	1,910	2,062	-7%
Shareholders´equity	(EUR m)	633	562	13%
Liabilities	(EUR m)	1,211	1,456	-17%
Equity ratio		33%	27%	22%
Pre-tax return on equity		7%	-5%	240%
Programming assets	(EUR m)	1,209	1,225	-1%
Programming assets/Total assets		63%	59%	7%
Programming investment	(EUR m)	303	434	-30%
Net financial debt incl. Bond	(Euro m)	794	894	-11%

		1st quarter 2004	1st quarter 2003	Change
Cash Flow Key Figures for the ProSiebenSat.1 Group				
Cash flow	(EUR m)	280	257	9%
Cash flow from operating activities	(EUR m)	178	307	-42%
Cash flow from investing activities	(EUR m)	-304	-429	29%
Cash flow from financing activities	(EUR m)	71	143	-50%

		1st quarter 2004	1st quarter 2003	Change
Key Figures for the ProSiebenSat.1 Group				
Revenues	(EUR m)	436	411	6%
Gross profit	(EUR m)	133	74	80%
Operating profit / loss	(EUR m)	60	-11	645%
Financial result	(EUR m)	-17	-19	11%
Pre-tax profit / loss	(EUR m)	43	-29	248%
Consolidated net income	(EUR m)	25	-18	239%
EBITDA	(EUR m)	69.1	0.3	-/ -
EBIT	(EUR m)	60	-11	645%
Pre-tax profit margin		10%	-7%	243%
Depreciation and amortization of intangible and tangible assets	(EUR m)	9	11	-18%
Personnel expenses	(EUR m)	50	54	-7%
Employees*		2,773	3,023	-8%
Sat.1				
Total revenues	(EUR m)	193	177	9%
Pre-tax profit/loss	(EUR m)	24	-13	285%
EBITDA	(EUR m)	25	-10	350%
Employees*		222	240	-8%
ProSieben				
Total revenues	(EUR m)	175	155	13%
Pre-tax profit/loss	(EUR m)	35	15	133%
EBITDA	(EUR m)	35	14	150%
Employees*		261	300	-13%
Kabel 1				
Total revenues	(EUR m)	46	46	-/ -
Pre-tax profit/loss	(EUR m)	3	2	50%
EBITDA	(EUR m)	3	2	50%
Employees*		49	51	-4%
N24				
Total revenues	(EUR m)	17	15	13%
Pre-tax profit/loss	(EUR m)	0.1	-7.7	101%
EBITDA	(EUR m)	0.5	-7.1	107%
Employees*		151	182	-17%
SevenOne Intermedia				
Total revenues	(EUR m)	13	14	-7%
Pre-tax profit/loss	(EUR m)	2	2	-/ -
EBITDA	(EUR m)	3	3	- / -
Employees*		109	123	-11%
Merchandising				
Total revenues	(EUR m)	12	14	-14%
Operating profit	(EUR m)	2	3	-33%
EBITDA	(EUR m)	2	3	-33%
Employees*		93	117	-21%

* Full-time equivalent jobs as of March 31

„ProSiebenSat.1 Group boosts pre-tax profit substantially in Q1 2004“

Explanatory note

Until the end of 2003, the Group financial statements and the Company's interim reports were prepared under the accounting principles of the German Commercial Code (HGB). The present report is the first release of financial statements of ProSiebenSat.1 AG prepared under International Financial Reporting Standards (IFRS).The first-quarter figures of 2003 have been adjusted accordingly.

German accounting principles differ in a number of regards from IFRS. In the case of the ProSiebenSat.1 Group, for example, differences appear in the reporting of leased assets and deferred taxes. The details are discussed in the section „Reconciliation under IFRS 1“.

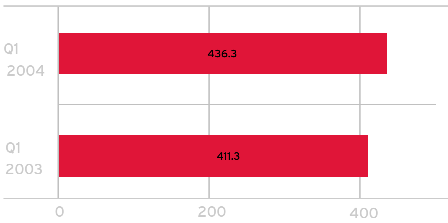
ProSiebenSat.1 Group
Revenue and earnings performance

The ProSiebenSat.1 Group boosted its pre-tax profit substantially in the first quarter of fiscal 2004. EBITDA at the Group level improved a substantial EUR 68.8 million against the same quarter of last year, from EUR 0.3 million to EUR 69.1 million. The Group's revenues climbed 6 percent (EUR 25.0 million) between January and March, to EUR 436.3 million. The Group's pre-tax earnings also improved massively, from EUR -29.2 million to EUR 43.5 million. The consolidated net profit was EUR 25.1 million. In the first quarter last year, Germany's largest television corporation was still showing a loss of EUR -18.0 million at the Group level.

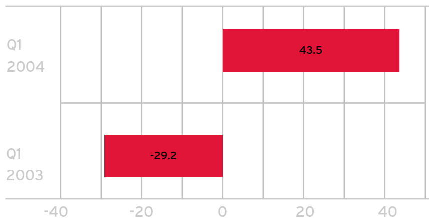
The gratifying upturn for the quarter under review results in part from an overall gain of EUR 25.0 million in revenues, and in part from cost-cutting measures that were particularly effective in the first quarter of this year.

Cash flow was EUR 280.5 million, up 9 percent from Q1 2003, and the basic and diluted earnings per share calculated per IAS 33 were EUR 0.13 in the first quarter of fiscal 2004, following EUR -0.09 for the comparable period.

ProSiebenSat.1 Group: Consolidated revenues
[EUR m]



ProSiebenSat.1 Group: Consolidated pre-taxincome
[EUR m]



Advertising market
Sluggish economy in Germany

The German economy is slowly breaking out of its stagnation. Production and demand have been picking up since last fall, albeit at a very slow pace. It is far too early to speak of a sustained recovery. The major hindrance to a robust upswing is still consumers' stubborn reluctance to spend. Even the tax cut at the beginning of the year produced no significant improvement in consumption patterns. According to the spring assessment by the country's six leading economic institutes, the German economy will grow 1.5 percent in 2004 and 2005, thus lagging well behind the gains in the worldwide economy. The new figure represents a downward correction of 0.2 percentage points from the assessment the institutes released last fall.

„Audience share grows“

Advertising market shows signs of revival

After several lean years, Germany's gross advertising figures are showing the first signs of a revival. But gross figures on advertising spending offer no real foothold for direct conclusions about actual advertising revenues, since the gross figures include not only bulk discounts and self-promotion, but agency commissions. Still, Nielsen Media Research has found that gross figures are rising in Germany for the most important advertising media. Gross advertising spending for Q1 2004 came to roughly EUR 4.14 billion, a gain of EUR 270 million or 7.0 percent from the first quarter of 2003. Growth in the first three months varied from one market to another. For example, Nielsen Media Research found a turnaround in telecommunications and financial services. Both are investing more in advertising. Discounters also spent more on advertising. But the automotive industry cut back advertising spending 1.8 percent, to just under EUR 410 million.

ProSiebenSat.1 Group still Number 1

Once again, the television industry booked the highest gross advertising revenues of any conventional medium, at EUR 1.7 billion. This figure was a 6.8 percent gain from last year. And the ProSiebenSat.1 Group's performance in the advertising market also parallels its gains in the audience market. In the first quarter the Group expanded its lead considerably in the German TV advertising market against the stations marketed by IP Deutschland, earning 43.6 percent of the gross advertising market. IP Deutschland (RTL, Vox, Super RTL and n-tv) earned a combined share of 37.2 percent. El Cartel (RTL 2) totaled 5.7 percent. So the ProSiebenSat.1 Group is still the clear Number One in the German gross TV advertising market.

Net worth, financial position and operating results
Rigorous cost management pays off

In the past few years the ProSiebenSat.1 Group has responded to the recession in the advertising market with a policy of strict cost controls. Rigorous cost management had a particularly helpful effect in Q1 2004. Production costs were down EUR 34.3 million, or 10.2 percent, from the same quarter last year, to EUR 302.9 million. Selling costs were down 17.1 percent, to EUR 46.2 million. Administrative expenses were also down substantially, to EUR 31.8 million, compared to EUR 39.5 million for the first three months of 2003. Here the drop was 19.5 percent, or EUR 7.7 million. Other operating income was EUR 5.0 million, off EUR 5.5 million from the comparable period last year. This change was largely the consequence of lower out-of-period income. Depreciation and amortization for the period, at EUR 8.7 million, was down 20.2 percent, or EUR 2.2 million, from the figure for the comparable period. The difference results from lower scheduled amortization of intangible assets, at EUR 0.7 million, and a EUR 1.5 million reduction in scheduled depreciation on property, plant and equipment.

Total assets down slightly

The total assets of the ProSiebenSat.1 Group as of March 31, 2004, were EUR 1.910 billion - down from the previous year's EUR 2.062 billion. Noncurrent assets declined EUR 16.9 million, to EUR 460.0 million. Lower spending on technical equipment reduced property, plant and equipment from the previous year's EUR 276.9 million to EUR 253.4 million.

Current assets were EUR 124.2 million lower, at EUR 1.414 billion. The decline in this figure is attributable to lower bank deposits, lower receivables outstanding than last year, and a slight decrease in programming assets. Other assets were down EUR 31.0 million. Lower tax credits were a particular factor in this lower figure. In all, receivables and other current assets, at EUR 191.3 million, were down EUR 27.5 million from the figure as of March 31, 2003.

Programming assets EUR 1.209 billion

Programming assets came to EUR 1.209 billion as of March 31. This represents a slight decline of EUR 15.8 million, or 1.3 percent, from last year. At 63 percent of total assets, programming is the most important asset item in the ProSiebenSat.1 Group's balance sheet. Scheduled consumption, at EUR 225.4 million, was down 8 percent from last year's comparable figure.

Programming investments for the first three months of 2004

„Cost management pays off“

declined 30.0 percent against the same period last year, from EUR 434.2 million to EUR 303.2 million.

Net financial debt down 11 percent

On the equity and liabilities side, shareholder equity for the first three months of 2004 was EUR 632.9 million, up 12.6 percent from last year‘s EUR 562.3 million. Provisions were up EUR 21.9 million from last year, to EUR 65.5 million, mainly as a result of the increase in tax provisions.

The ProSiebenSat.1 Group reduced its net financial debt to EUR 793.6 million in the first three months of 2004. This figure is 11 percent below the comparable period for 2003. Bank debt was slashed 55.9 percent, to EUR 145.3 million. Last year‘s equivalent figure was still EUR 329.4 million. In all, the ProSiebenSat.1 Group‘s liabilities, at EUR 1.211 billion, were down 16.8 percent from last year‘s EUR 1.456 billion.

Personnel expenses down about 7 percent

In the first three months of this fiscal year, personnel expenses were EUR 49.9 million, compared to EUR 53.6 million for the same quarter last year. This is equivalent to a 6.9 percent reduction.

As of March 31, 2004, the ProSiebenSat.1 Group had a total of 2,773 employees – down 8.3 percent from last year. The decline was mainly the result of restructuring that became necessary in order to enhance the Company‘s efficiency. The staff at station Sat.1 was down 7.8 percent to 222 employees. ProSieben had 261 employees as of the reporting date, 13.1 percent fewer than for the same quarter of last year.

Station Kabel 1 had 49 employees as of the reporting date, a drop of 3.5 percent from the same date last year. N24 had 151 employees, down 17.1 percent. The staff at advertising-time marketer SevenOne Media grew slightly, from 332 to 337. The staff at multimedia subsidiary SevenOne Intermedia shrank 10.9 percent, to 109. The Merchandising segment had 93 employees as of March 31, compared to 117 last year.

Reconciliation under IFRS 1

The following reconciliations of equity and net profit or loss for the reporting period reflect all changes that result from the differences in accounting principles between IFRS and the German Commercial Code (HGB).

The major items are explained below.

Business combinations

Under IFRS 3, goodwill and separable intangible assets with an indeterminate useful life would not be amortized, but instead would be reviewed annually for impairment (impairment-only approach). The ProSiebenSat.1 Group has already applied IFRS 3 retroactively for fiscal 2003. By contrast, under the German Commercial Code, scheduled amortization is taken on goodwill over a useful life of four years.

Leases

Under IFRS, a finance lease is defined as a lease under which substantially all opportunities and risks deriving from title to an asset are transferred to the lessee. An operating lease is defined as any lease that is not a finance lease. Lessees must report finance leases, in equal amounts, as both an asset and a liability. The amount to be employed is either the fair value of the leased property as of the commencement of the lease, or the net present value of minimum lease payments, if the latter value is lower. Finance leases give rise to a depreciation expense for depreciable assets, and a finance expense. The lease payments for an operating lease are reported as an expense in the income statement.

Leases were formerly handled in compliance with the German Commercial Code, and consequently leased property was not capitalized, in accordance with the requirements of German tax regulations. But in obedience to IFRS, a number of existing leases have now been classified as finance leases. Accordingly, the ProSiebenSat.1 Group has reported its leased assets and lease liabilities for the most part under "fixed assets" or "other liabilities." This treatment of finance leases under IFRS has also caused a difference in the way the leasing expenses resulting from these leases are treated in the income statement.

„Reporting under IFRS“

Long-term loans

Under IFRS, at the time they are first reported, financial assets bearing low or no interest are to be discounted at the market interest rate for comparable assets if the discounting effect is material. Economic advantages that counteract low or nil interest rates can be shown as assets in the balance sheet only if

Reconciliation

Shareholders' equity as of March 31, 2003	EUR m
Equity per German Commercial Code (HGB)	584.4
Discount on Euvia loan	-51.5
Valuation of provisions and liabilities	-16.8
Reporting/Valuation of bonds	7.4
Leases	-6.4
Valuation at equity Euvia	-4.7
Reporting/Valuation of derivatives	-1.7
Lower goodwill amortization for Kabel 1	0.7
Deferred taxes (incl. adjustment to tax rate for full year)	49.0
Miscellaneous	1.9
Equity per IFRS	562.3

Reconciliation

Shareholders' equity as of Dec 31, 2002	EUR m
Equity per German Commercial Code (HGB)	617.4
Discount on Euvia loan	-51.8
Valuation of provisions and liabilities	-16.8
Reporting/Valuation of bonds	7.8
Leases	-6.1
Valuation at equity Euvia	-4.7
Reporting/Valuation of derivatives	-1.7
Deferred taxes	35.9
Miscellaneous	0.8
Equity per IFRS	580.8

Reconciliation

Shareholders' equity as of Dec 31, 2003	EUR m
Equity per German Commercial Code (HGB)	656.7
Discount on Euvia loan	-50.6
Reporting/Valuation of derivatives	-29.8
Valuation of provisions and liabilities	-14.6
Reporting/Valuation of bonds	6.1
Leases	-5.9
Lower goodwill amortization for Kabel 1	2.9
Deferred taxes	36.3
Miscellaneous	0.1
Equity per IFRS	601.2

„Reporting under IFRS“

Reconciliation Group net profit for 2003	EUR m
Group net profit per German Commercial Code	45.0
Reporting/Valuation of derivatives	4.5
Valuation at equity Euvia	-5.9
Lower goodwill amortization for Kabel 1	2,9
Reporting/Valuation of bonds	-1.7
Discount on Euvia loan	1.2
Deferred taxes	-7.5
Miscellaneous	0.9
Group net profit per IFRS	39.4

Reconciliation Group net profit for Q1 2003	EUR
Group net profit per German Commercial Code	
Lower goodwill amortization for Kabel 1	0.7
Valuation at equity Euvia	0.6
Reporting/Valuation of bonds	-0.4
Discount on Euvia loan	0.3
Deferred taxes (incl. adjustment to tax rate for full year)	13.1
Miscellaneous	0.5
Group net profit per IFRS	-18.0

they comply with the recognition criteria for an asset.

In 2001, the Company made a low-interest loan of EUR 112 million to Euvia Media AG & Co. KG. Under IFRS, and unlike the German Commercial Code, advantages cannot be taken into account in determining the value of the low-interest loan to Euvia Media. Hence the loan to Euvia Media has been discounted under IFRS.

Borrowing costs

Under German accounting standards, costs incurred in direct connection with borrowings (for example, through bonds) represent an immediate expense for the period in question. Under IFRS, borrowing costs are charged as expenses spread over the term of the loan.

Other provisions

German accounting principles require provisions to be formed for doubtful debts and potential losses on pending transactions. Such provisions may also be formed for internal costs – for example, for maintenance costs incurred during the first three months of the subsequent year, or for other defined expenses. Provisions are to be accrued under IFRS if a present external obligation exists; if it is probable that an outflow of resources will be necessary in order to fulfill that obligation; and if a reliable estimate can be made of the amount of the obligation. Provisions are formed according to the best-estimate method, and discounted to present value if they are maintained for the long term if the discounting effect is material. The netting scope under which the present external obligation may be reduced by income directly or indirectly associated with that obligation may differ under IFRS from the netting scope under the German Commercial Code.

Deferred taxes

Under German accounting principles, a deferred tax item must be formed for differences between the consolidated income statement and income as calculated for tax purposes, if those differences are likely to net out against one another in the future.

Under IFRS, deferred tax assets and liabilities are to be recognized for temporary differences between the value of an asset or liability as carried in the balance sheet, and the assessment basis on which that item will be taxed, except for goodwill (unless

„Reporting under IFRS“

amortization of goodwill is tax-deductible) and certain transactions that do not affect either the accounting profit or the taxable profit. Additionally, IFRS requires deferred tax assets to be reported for tax loss carry-forwards, if there is an adequate probability that these tax loss carry-forwards will be applied against taxable profit in the future.

The differences in carrying values for deferred taxes in the ProSiebenSat.1-Group are largely the consequence of capitalizing the deferred taxes that result in part from differences between IFRS/IAS and German tax reporting principles, and in part from tax loss carry-forwards.

Financial instruments

Under German accounting standards, derivative financial instruments are reported as pending transactions in the balance sheet only if their valuation as of the reporting date indicates a threatend loss, and if they cannot be allocated to a compensatory valuation unit (“Bewertungseinheit”) that combines both the derivative and the underlying transaction, in a procedure that is roughly equivalent to hedge accounting . Unrealized gains do not appear in the income statement because of the principle that gains are not to be shown until they have been realized through a sale.

Under IFRS, reporting for financial instruments is governed by IAS 32 and IAS 39, which require derivatives to be reported in the balance sheet at their fair value. Changes in fair value are normally applied to the income statement. Hedge accounting may be applied under certain narrowly defined conditions. In those cases, there are regular subsequent revaluations of the derivative with no impact on the income statement.

The ProSiebenSat.1 Group has hedges against interest-rate risks and foreign-currency risks. Interest-rate risks arise from liabilities with variable interest rates. The Company uses interest-rate swaps to hedge these risks. Some financial statements have included euro-denominated interest-rate swaps for which hedge accounting could not be applied under IFRS. Accordingly, these swaps were reported at fair value as “other liabilities.”

The ProSiebenSat.1 Group incurs foreign-currency risks primarily through license payments denominated in US dollars. The Company hedges these risks by entering into forward exchange deals and currency options. Its expectation is that most of the derivative financial instruments used for foreign-exchange management will meet the requirements for hedge accounting under IFRS. Accordingly, under IFRS, forward-exchange transactions that meet the requirements for hedge accounting are to be reported at their fair value, with no impact on income, as equity and as “other liabilities.” Forward-exchange transactions that do not qualify as hedges are reported at current value in the balance sheet, with an impact on profits. Under IFRS, currency options are capitalized as “other assets” for the amount of their option premium. In subsequent reviews of this valuation, any changes in fair value are applied to the income statement. Accordingly, the change in fair value of currency options has been expensed.

Television
All four stations show a profit

The ProSiebenSat.1 Group’s stations pulled a significantly larger audience share in the first quarter of 2004. With a gain of 1.3 percentage points from last year’s first quarter, the family of stations drew a combined share of 30.2 percent of the 14 to 49-year-old audience advertisers prize. This was the best first-quarter result since 2001.

Sat.1 booked the Group’s largest gain in audience share for the quarter. Compared to the same period last year, Sat.1 boosted its performance in the target group to 12.1 percent, marking a 1.0 percent increase. In January, February and March the channel achieved higher market shares among the relevant target in all three months compared to last year. Compared to the same quarter last year, the station’s performance benefited from the UEFA Champions League first knockout round, between Real Madrid and Bayern Munich. The live sports event, which drew 15.04 million viewers at its peak, earned an average share of 37.5 percent of the 14-to-49 audience. Another highlight was the Indiana Jones trilogy, with shares of up to 28.0 percent of the target audience.

ProSieben also remained on an uptrend, with a share of 12.5 percent of the 14-to-49 audience. With ratings successes like Der

„Pre-tax income up significantly at Sat.1"

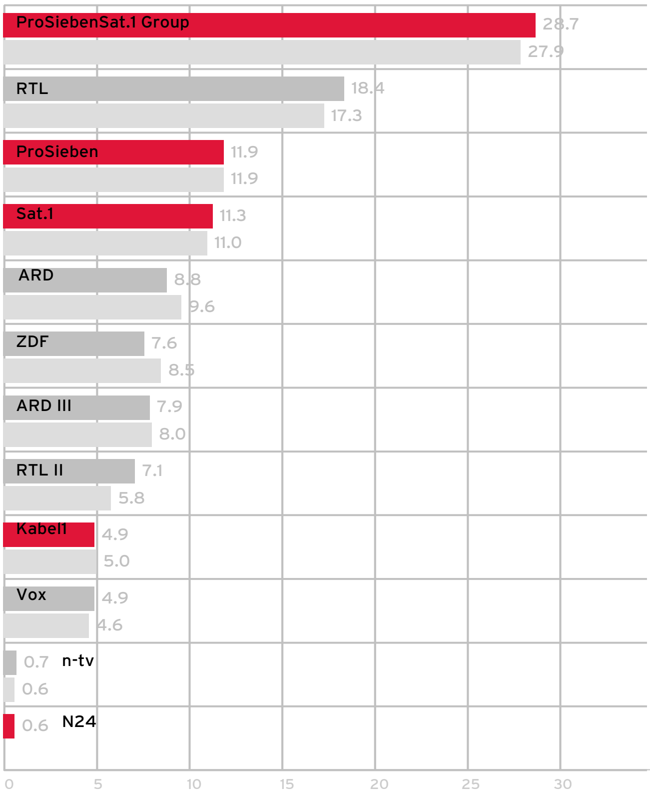
Schuh des Manitu (51.9 %), Evolution (33.5 %), and event programs like the Wok Racing Championships (33.9 %), the station's share built steadily month by month throughout the quarter. Michael Herbig's Wild West send-up Der Schuh des Manitu not only was the most successful program ever shown on ProSieben, but also drew the highest rating among the 14-to-49 audience of any feature film since the GfK institute began tracking single broadcasts on private television. ProSieben's share was up 0.2 percentage points from the first quarter of 2003.

Kabel 1 also drew higher shares in the first quarter. Ratings hits like Hudson Hawk (9.1 %) and Mad Max – Beyond Thunderdome (8.8 %) lifted Kabel 1's share 0.2 percentage points, to 5.1 percent of the target audience. N24 earned a share of 0.5 percent of the crucial 14-to-49 audience group – a slight drop of 0.1 percentage point against last year's first quarter.

Pre-tax earnings up significantly at Sat.1

Sat.1 continued to ride high in the new fiscal year. The station's pre-tax profits were up from last year's EUR -13.0 million to EUR 23.7 million. In other words, its first quarter was solidly in the black, after the negative figure from the same period last year.

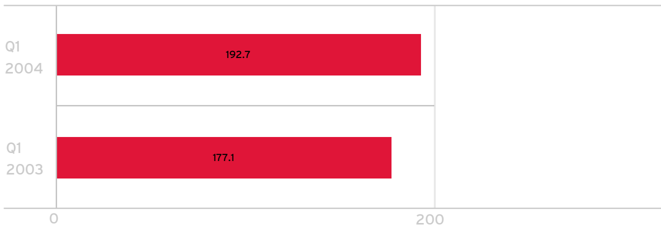
Market shares: All viewers aged 14 to 49
[percent]



1st quarter 2004
1st quarter 2003

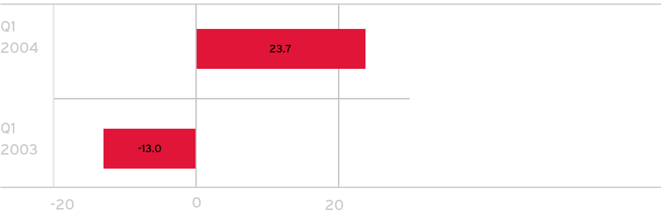
Up to 15.04 million viewers watched the Champions League Semi-Final between Real Madrid and Bayern München on Sat.1.

Sat.1: Revenue increase in Q1
[EUR m]



„Earnings up at ProSieben and Kabel 1"

Sat.1: Significantly increased income
[EUR m]

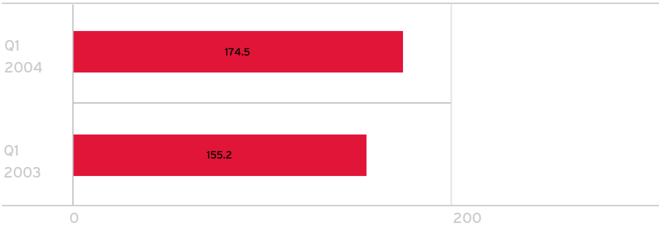


Revenues, at EUR 192.7 million, were up EUR 15.6 million from the first quarter of last year. EBITDA was a positive EUR 24.7 million, compared to EUR –9.5 million in Q1 2003.

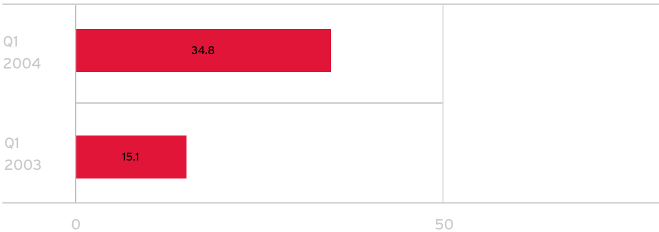
ProSieben's pre-tax income up 130%

Station ProSieben also performed well in the first quarter. The station booked revenues of EUR 174.5 million, following on EUR 155.2 million for the same quarter of 2003. Rigorous cost management boosted pre-tax income by an even larger percentage, to EUR 34.8 million. Last year's figure for the first quarter was EUR 15.1 million. EBITDA was EUR 34.8 million, following on EUR 13.8 million in Q1 2003.

ProSieben: Revenue development
[EUR m]



ProSieben: Increased income in Q1
[EUR m]



51,9 percent of 14-49 year-olds were captivated: There has never been a more successful movie on private television than „Manitu's Shoe"

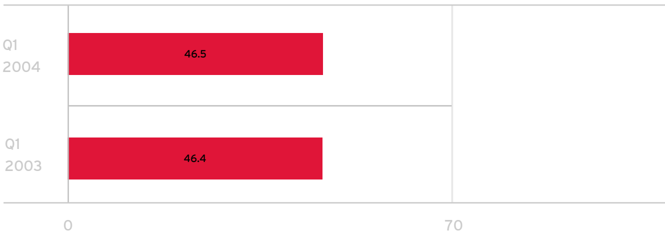
Kabel 1 pre-tax income up in Q1

Kabel 1 generated revenues of EUR 46.5 million, compared to EUR 46.4 million for the first quarter of last year. Despite the small gain in revenue, earnings before taxes were up 21.7 percent, to EUR 2.8 million. EBITDA increased 23.8 percent to EUR 2.6 million.

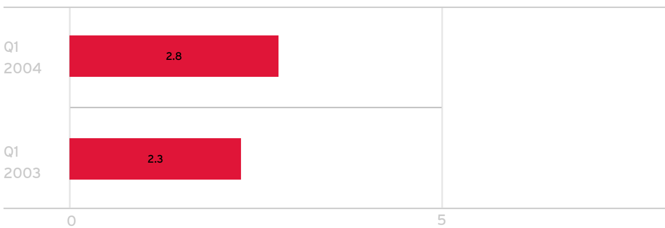
N24 passes break-even point

„N24 shows first-quarter profit for the first time“

Kabel 1: Revenue development
[EUR m]



Kabel 1: Increased income in Q1
[EUR m]



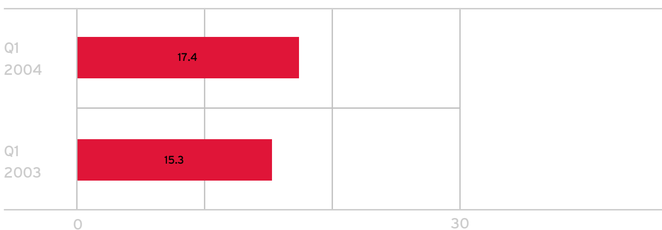
With hits such as „Mad Max – Beyond Thunderdome,“ Kabel 1 was able to increase its market shares in the first quarter.

For the first time since its founding, news station N24 closed out a first quarter in the black. The station‘s pre-tax income for the first three months of 2004 totaled EUR 0.1 million. Last year‘s figure for the first quarter was a loss of EUR 7.7 million. Revenues for the first quarter of 2004 came to EUR 17.4 million, compared to EUR 15.3 million last year. EBITDA improved significantly. EBITDA for Q1 2004 was EUR 0.5 million, compared to EUR -7.1 million in Q1 2003.

Non-TV operations
SevenOne Intermedia - Earnings stable

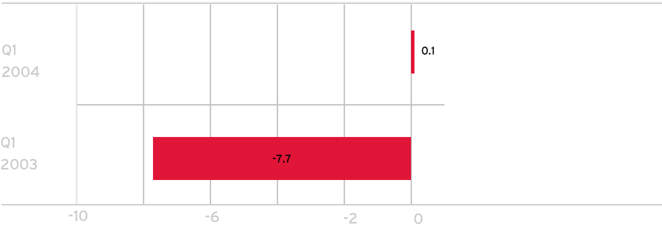
Politics up close and personal: N24 editor-in-chief Peter Limbourg interviewing German Chancellor Gerhard Schröder.

N24: Revenue development
[EUR m]

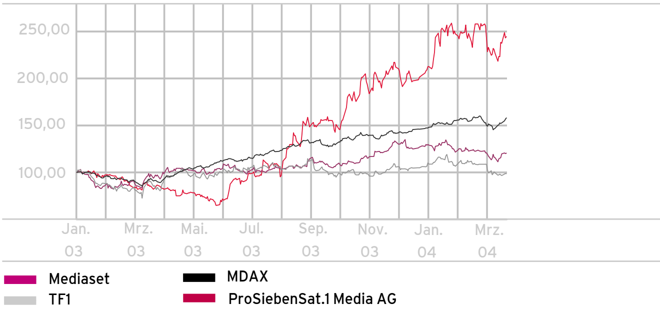


„Merchandising: EBITDA margin 18%“

N24: Income develpopment
[EUR m]



ProSiebenSat.1 stock: Price performance since January 2003



Our subsidiary SevenOne Intermedia is in charge of all new media services, including Teletext, the Internet, mobile services, added-value telephone services, and e-commerce applications. As a multimedia center of competence, SevenOne Intermedia handles a broad range of digital and interactive platforms. It conducts marketing in collaboration with convergence marketer SevenOne Interactive in media sales, and with MM MerchandisingMedia in e-commerce.

In the first three months of this year, SevenOne Intermedia revenues were EUR 13.4 million, slightly less than the same quarter last year, when revenues were EUR 14.0 million. Despite the slight decline in revenues, profits remained stable. SevenOne Intermedia's pre-tax income for the first quarter of 2004 was EUR 2.3 million. EBITDA rose to EUR 2.8 million from the previous year's EUR 2.7 million.

Merchandising: EBITDA margin 18 percent

Next to SevenOne Intermedia, the second subsidiary whose revenues count as non-TV is MM MerchandisingMedia. This company was formed last year by merging MM Merchandising München and SevenOne Club & Shop. The new MM MerchandisingMedia pools merchandising, licensing, viewer loyalty building operations and direct sales. It is a wholly-owned subsidiary, and generated revenues of EUR 12.4 million for the first quarter. The troubled music industry caused a drop of EUR 1.6 million in revenues at MerchandisingMedia, and this decline is also reflected in earnings. EBITDA was EUR 2.2 million, down EUR 0.4 million from last year. All in all, MM MerchandisingMedia showed an EBITDA margin of 18 percent for the first quarter of 2004.

ProSiebenSat.1 stock
Stock price performance: Uptrend continues

ProSiebenSat.1 stock closed at EUR 15.65 per share on March 31, 2004 - up 20.1 percent from the beginning of the year. So the price rise continued in the first quarter of 2004. During the same period, the DAX German stock index lost about 3 percent, and the MDAX index of mid-cap stocks gained about 5 percent.

ProSiebenSat.1 stock also outperformed the average for the European sector as a whole. From January to March 2004, comparable media stocks did not perform as well. TF1 stock lost 7 percent; Mediaset was trading down 6 percent.

Events subsequent to the reporting date
Changes in the Executive Board

Effective April 30, 2004, Urs Rohner has resigned on his own initiative from the Executive Board of ProSiebenSat.1 Media AG. The new CEO as of May 1 is Guillaume de Posch, formerly the Group's Chief Operating Officer.

„Stock still on the rise“

Hubertus Meyer-Burckhardt will join the ProSiebenSat.1 Media AG Executive Board on July 1, 2004. Formerly the managing board member in charge of electronic media at Axel Springer AG, he will head Corporate Development for the ProSiebenSat.1 Group. In October, he will also assume responsibility for Media Policy and Regulatory Affairs from Jürgen Doetz, who has handed in his resignation to the Supervisory Board as of that month because he will reach the retirement age of 60 stipulated for the Executive Board.

Changes in the Supervisory Board

On May 7, 2004, the Annual Meeting of ProSiebenSat.1 Media AG decided to expand the Supervisory Board from the former nine members to 15 members, in order to take account of the Company's new ownership structure. The following members were reelected to the Supervisory Board:

- Haim Saban
- Dr. Mathias Döpfner
- Adam Chesnoff
- John P. Connaughton
- Greg Dyke
- Patrick J Healy
- Dr. Michael Jaffé
- Seth W. Lawry
- Christian Nienhaus

The following new members were elected to the expanded Board:

- Tony Ball
- Albert J. Dobron
- Stephen W. Pagliuca
- Brian Powers
- Steven Rattner
- Scott Sperling

Capital increase a success

On April 28, 2004, ProSiebenSat.1 Media AG completed a successful capital increase for a total of EUR 282 million.

The number of outstanding shares of the Company increased by 24,310,800, from 194,486,400 to 218,797,200. Half of the new shares are listed preferred stock, and half are unlisted common stock.

As of the completion of the capital increase, P7S1 Holding L.P. holds 75.1 percent of the common stock and 0.1 percent of the preferred stock. SAT.1 Beteiligungs GmbH holds 24.9 percent each of the common and preferred stock. The free float now constitutes 75.0 percent of the preferred stock. The new preferred shares were first listed on the Frankfurt Stock Exchange on April 27, 2004.

Outlook
TV advertising remains stable

In their assessment last fall, Germany's six leading economic institutes were still assuming that gross domestic product would increase 1.7 percent in 2004. By the time of their spring assessment, they were already revising that figure downward. Now they expect a gain of only 1.5 percent. On top of that, consumers still remain wary of spending. After dropping twice in a row, the IFO business climate index rose slightly in April. But the IFO Institute has warned that it is too early to talk about a solid upswing. Because the german consumption still remains weak, the ProSiebenSat.1 Group assumes that the television advertising market will remain stable in 2004. The Company will concentrate this year on improving EBITDA and pre-tax profits.

Additional Explanatory Note

The present financial statements for the first quarter of 2004 comply with International Accounting Standard IAS 34 in conjunction with IFRS 1.

The present financial statements for the first quarter of 2004 are the first that the ProSiebenSat.1 Group has presented under

Outlook

International Financial Reporting Standards (IFRS). On June 6, 2002, the Council of the European Union issued a decision that requires all companies oriented to the capital markets to prepare their consolidated financial statements under IFRS for fiscal years beginning after December 31, 2004. The ProSiebenSat.1 Group already made the transition last year. This report for the first quarter of 2004 employs the same reporting and valuation methods as were used in the ProSiebenSat.1 Group's IFRS annual financial statements as of December 31, 2003.

This report contains forward-looking statements that reflect the current views of the management of ProSiebenSat.1 Media AG regarding future events. These forward-looking statements include any statement in this report that reproduces or is founded upon intentions, expectations or predictions (as well as the underlying assumptions) of the Company. These statements are based on plans, estimates and projections currently available to the management of ProSiebenSat.1 Media AG. Therefore, they refer only to the date on which they are made. Forward-looking statements are inherently subject to risks and uncertainties (for example, owing to future developments in the German advertising market) that may cause actual outcomes to differ materially from such forward-looking statements or the results they imply. ProSiebenSat.1 Media AG assumes no obligation to update such statements to reflect new information or future events, nor does it intend to provide such updates.

Q1 2004: Consolidated Statement of Income

1st quarter 2004:Consolidated Statement of Income for ProSiebenSat.1 Media AG [IFRS]

		Jan.-Mar. 2004 EUR k	Jan.-Mar. 2003 EUR k	Change EUR k
1.	Revenues	436,262	411,277	24,985
2.	Cost of sales	-302,850	-337,188	-34,338
3.	**Gross profit**	133,412	74,089	59,323
4.	Selling expenses	-46,205	-55,725	-9,520
5.	Administrative expenses	-31,788	-39,491	-7,703
6.	Other operating income	4,974	10,515	-5,541
7.	**Operating profit / loss**	60,393	-10,612	71,005
8.	Income from other securities and loans of fixed financial assets	1,648	1,365	283
9.	Income from equity interests in associated companies	283	575	-292
10.	Write-downs of financial assets and marketable securities	- / -	-200	-200
11.	Net interest result	-17,185	-18,934	1,749
12.	Other financial expenses	-1,668	-1,423	245
13.	**Financial result**	-16,922	-18,617	1,695
14.	**Pre-tax profit / loss**	43,471	-29,229	72,700
15.	Income taxes	-18,269	11,107	-29,376
16.	**Net income**	25,202	-18,122	43,324
17.	Minority interests	-91	79	-170
18.	**Consolidated net income**	25,111	-18,043	43,154

	Jan.-Mar. 2004 EUR	Jan.-Mar. 2003 EUR	Change in percent
Basic and diluted earnings per share according to IAS 33 *	0.13	-0.09	244%

* thereby accounted for net profit/loss for the period: 25.1 EUR m [previous period: -18.0 EUR m]; thereby accounted for number of common and preferred shares: 194,864 thousand

Consolidated Balance Sheet

Consolidated Balance Sheet of ProSiebenSat.1 Media AG as of March 31, 2004 [IFRS]

Assets	Mar. 31, 2004 EUR k	Mar. 31, 2003 EUR k	Change EUR k	Dec. 31, 2003 EUR k	Change EUR k
A. Noncurrent assets					
I. Intangible assets	60,647	65,012	-4,365	60,583	64
II. Tangible assets	253,350	276,930	-23,580	258,639	-5,289
III. Financial assets	145,983	134,971	11,012	145,727	256
	459,980	476,913	-16,933	464,949	-4,969
B. Current assets					
I. Programming assets	1,209,128	1,224,916	-15,788	1,148,177	60,951
II. Inventories	6,087	5,073	1,014	5,777	310
III. Receivables and other current assets	191,268	218,758	-27,490	172,557	18,711
IV. Securities	818	983	-165	921	-103
V. Cash, credit balances with banks	6,691	88,480	-81,789	61,862	-55,171
	1,413,992	1,538,210	-124,218	1,389,294	24,698
C. Deferred taxes	36,372	46,711	-10,339	43,613	-7,241
Total assets	1,910,344	2,061,834	-151,490	1,897,856	12,488

Liabilities and shareholders' equity	Mar. 31, 2004 EUR k	Mar. 31, 2003 EUR k	Change EUR k	Dec. 31, 2003 EUR k	Change EUR k
A. Shareholders' equity					
I. Subscribed capital	194,486	194,486	-/-	194,486	-/-
II. Capital reserves	322,319	322,319	-/-	322,319	-/-
III. Group equity generated	122,751	45,017	77,734	97,505	25,246
IV. Accumulated other group equity	-6,617	505	-7,122	-13,160	6,543
	632,939	562,327	70,612	601,150	31,789
B. Minority interests from equity	716	-229	945	625	91
C. Provisions	65,462	43,631	21,831	65,397	65
D. Liabilities [1]	1,211,227	1,456,105	-244,878	1,230,684	-19,457
Total liabilities and equity	1,910,344	2,061,834	-151,490	1,897,856	12,488

[1] Mar. 31, 2004: thereof interest bearing liabilities 937 EUR k (remaining term 1 year or less: 217 EUR k; remaining term 1 to 5 years: 367 EUR k; remaining term > 5 years 353 EUR k)
Dec. 31, 2003: thereof interest bearing liabilities 866 EUR k (remaining term 1 year or less: 146 EUR k; remaining term 1 to 5 years: 366 EUR k; remaining term > 5 years 354 EUR k)

Statement of changes in shareholders´equity

Statements of Changes in Shareholders´ Equity of the ProSiebenSat.1 Group for the 1st quarter 2003 [IFRS]

	Subscribed capital		Capital reserves	Group equity generated	Accumulated other group equity		Shareholders' equity
	Shares of common stock	Shares of preferred stock			Foreign currency translation adjustment	Other transactions with no effect	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
Dec 31, 2002	97,243	97,243	322,319	63,238	526	228	580,797
Other changes	- / -	- / -	- / -	-178	-21	-228	-427
Consolidated net income	- / -	- / -	- / -	-18,043	- / -	- / -	-18,043
March 31, 2003	97,243	97,243	322,319	45,017	505	- / -	562,327

Statements of Changes in Shareholders´ Equity of the ProSiebenSat.1 Group for the 1st quarter 2004 [IFRS]

	Subscribed capital		Capital reserves	Group equity generated	Accumulated other group equity		Shareholders' equity
	Shares of common stock	Shares of preferred stock			Foreign currency translation adjustment	Other transactions with no effect incl. OCI	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
Dec 31, 2003	97,243	97,243	322,319	97,505	-234	-12,926	601,150
Hedge accounting	- / -	- / -	- / -	- / -	- / -	6,537	6,537
Other changes	- / -	- / -	- / -	135	6	- / -	141
Consolidated net income	- / -	- / -	- / -	25,111	- / -	- / -	25,111
March 31, 2004	97,243	97,243	322,319	122,751	-228	-6,389	632,939

ProSiebenSat.1 Group Cash Flow Statement

ProSiebenSat.1 Group Cash Flow Statement as of March 31, 2004 [IFRS]

	1st quarter 2004 EUR k	1st quarter 2003 EUR k
Consolidated net income	**25,111**	**-18,043**
Depreciation/amortization and impairment of current assets	8,715	11,198
Consumption/write-up of programming assets	236,015	258,687
Change in provisions for taxes [incl. deferred taxes]	9,982	-219
Change in other provisions	626	5,557
Result from sale of fixed assets	40	70
Cash flow	**280,489**	**257,250**
Change in inventories	-310	-115
Change in non-interest-bearing receivables and other assets	-18,608	-14,803
Change in non-interest-bearing liabilities	-83,517	64,586
Cash flow from operating activities	**178,054**	**306,918**
Proceeds from disposal of noncurrent assets	1,624	2,220
Expenditures for intangible and tangible assets	-3,652	-3,485
Expenditures for purchase of financial assets	-1,758	-1,434
Proceeds from disposal of programming assets	2,938	7,235
Expenditures for programming assets	-303,206	-434,208
Effects of changes in scope of consolidation and other changes in equity	232	1,061
Cash flow from investing activities	**-303,822**	**-428,611**
Free Cash flow	**-125,768**	**-121,693**
Change of interest-bearing liabilities	70,597	142,882
Cash flow from financing activities	**70,597**	**142,882**
Change in cash and cash equivalents	**-55,171**	**21,189**
Cash and cash equivalents at beginning of year	61,862	67,291
Cash and cash equivalents as of March 31, 2004	**6,691**	**88,480**

	1st quarter 2004 EUR k	1st quarter 2003 EUR k
The Cash flow from operating activities includes following payments and receipt of payments according IAS 7:		
Cash flow from income taxes	**-12,398**	**2,442**
Cash flow from interest expenses	**-40,787**	**-42,499**
Cash flow from interest income	**216**	**449**